

GLEANINGS II - 7876
Thursday November 22nd, 2018

Bad week for President Trump - On November 20th, Judge Mark Goldsmith of the US District Court for the Eastern District of Michigan¹ ordered the Trump Administration to free the 100+ Iraqis it has kept in jail for over six months while seeking to deport them, criticizing it for dragging its feet in following court orders & making untrue statements about Iraq's willingness to accept its citizens being deported from the US, and ruled that it must release them within 30 days unless it can show strong reason to detain them or can deport them in that time. And the day before, Judge Jon Tigar of the San Francisco-based 9th District Circuit Court of Appeals, after the President had issued, on November 9th, a proclamation that sought to circumvent immigration laws that anyone who had crossed the Southern border between official points of entry would be ineligible for asylum, ruled that the US immigration law clearly allows anyone to seek asylum (even if they enter the country between official points of entry). This prompted the Departments of Homeland Security & of Justice to issue a joint statement (*without supporting evidence?*) that the Supreme Court had ruled the President has the legal right to do so & that "Our asylum system is broken, and it is being abused by tens of thousands of meritless claims each year" (*a problem for the legislative branch of the US government to fix?*), and President Trump, when asked to comment on Judge Jon Tigar's ruling, to dismiss him as an "Obama judge" & saying that he would have to make a complaint to that court, calling it a "disgrace" because "we always lose²" *there*, which earned him a highly unusual rebuke in a November 21st statement released by Chief Justice John Roberts that "We do not have Obama judges or Trump judges, Bush Judges or Clinton judges ... What we have is an extraordinary group of dedicated judges doing their level best to do equal right to those appearing before them" which prompted Trump to **really** declare war on the 9th District Circuit Court in a manner that directly attacks the independence of the US court system (*might the Chief Justice stepping this far 'out of the mould' be the first real sign of official Washington becoming fed up with Trump's disregard for the basic framework of US society, and his failure to understand the responsibilities of the Commander-in-Chief & the constitutional limits on the powers of the President?*).

Gun control - Last month the American College of Physicians³ called for tighter gun controls, incl. bans on assault weapons, large capacity magazines & 3D-printed fire arms. This prompted the NRA to tweet "Someone should tell the self-important anti-gun doctors to stay in their lane. Half the articles in *their* Annals of Internal Medicine are pushing for gun control. Most upsetting, however, the medical community seems to have consulted NO ONE but themselves" which, in turn, prompted physicians from across the US to take to Twitter with 22,000 comments, complete with photos of their encounters with victims of gun violence and their experience with having to treat people with gunshot wounds (*thereby suggesting that they see enough evidence first hand on a regular basis not to have any need to consult any third party?*) - *The NRA was out to lunch in equating the American College of Physicians with "the medical community", for it is merely one of a number of doctors' professional associations, this one representing the 15% of the 1+MM US doctors who are internist specialists.*

¹ Whose nomination was confirmed 89-0 by the Senate on June 21st, 2010.

² While he is right in implying that the courts have not ruled in his favour very often, he ignores the fact this has involved Republican-, as well as Democrat-, President-, appointed judges; in other words that this is so because some of his initiatives have been just plain 'out of line'

³ One of the largest of the dozens, if not hundreds, of medical professional associations by field of endeavour, this one represents 154,000 internists.

Jamal Khashoggi assassination follow-up - A Gleanings recipient who has lived & worked in the Persian Gulf region for two decades provided this feedback on last week's Gleanings : "Here's my take : MBS didn't do it ... He is being set up by the erstwhile crown prince he replaced, aided and abetted by other royals who have (*not so?*) patiently been waiting in the background for this eventuality, i.e. the removal of MBS. Don't forget. MBS has made many enemies with long memories!" - *That would not be inconsistent with the observation in the article reviewed here last week that said, among others, that "An old guard is regaining control ... Decisions are now being made away from the Crown Prince". Upon King Abdullah's January 23rd, 2015 death, his half brother Salman, who had been Crown Prince since June 16th, 2012, became King & their 73 year-old half brother Muqrin (whom King Abdullah had named Deputy Crown Prince on March 27th, 2014) moved up to Crown Prince, while the King's favourite-, youngest-, & 30 year old-, son Mohammed bin Salman (a grandson of King Ibn Saud) was named Deputy Crown Prince & given massive other responsibilities, despite his lack of relevant experience, incl. Deputy Prime Minister, Defense Minister, Head of a newly-created National Economic Council & overseer of the national oil company, Aramco). Mohammed then seems to have become a "brood parasite"⁴ : just three months later, on April 29th, 2015 Prince Muqrin resigned as Crown Prince, supposedly "at his own request", & was succeeded as Crown Prince by the 59 year-old Mohammed bin Nayef (the first time a grandson of King Ibn Saud was first in the line of succession) until he was unexpectedly summoned to a Mecca Palace late on June 20th, 2017 & held there overnight while being pressured to give up his claim to the throne because "he had a drug problem" (which he finally did before morning in time for his removal to be announced early the next day (and compared to Prince Muqrin Prince Mohammed bin Nayef had a much stronger claim on being Crown Prince because of his age, his career path & the fact he is a member of the dominant Sudairi branch of the Royal Family, whereas Prince Muqrin's mother had been an obscure Yemeni slave. Bottom line, whether MBS was, or was not, directly behind the Khashoggi killing, one thing seems clear, his dream of being the next Saudi King has likely 'gone up the flue' (& with it the Jared Kushner-driven MBS-based Trump Saudi policy).*

Khashoggi killing tape - Hours before President Trump declared it a "horrible crime that the US did not condone" but said that Saudi Arabia was a great ally & that cancelling the arms sales would only benefit Russia & China, the Turkish website HABERTURK made public the bit of the much talked-about-, but never made public-, tape chronicling what happened to him when he first entered the Saudi Consulate in Istanbul in which he could be heard exclaiming upon entering "Release my arm! What do you think you are doing?"

Lyon, France-based Interpol has a new President - In late September Meng Hongwei, China's Deputy Minister of Public Security, who in 2016 had been elected for a four year term to the *largely ceremonial* post of Chairman of Interpol 'disappeared' while traveling in China. In early October Beijing announced he had been arrested for "unspecified" *corruption* charges & on October 7th Interpol announced it had received, & accepted, a resignation letter from him. This created a need, at the recent 87th Annual Interpol Congress in Dubai, to elect someone to fill the remaining two years of Meng's term. There were two candidates. One was Russia's Maj.-Gen. Alexander Prokopchuk, an Interior Minister official who for the past seven years had headed Russia's Interpol branch & the other South Korea's Kim Jong-yang who, after 25 years as a police official in his country, in 2015 had joined Interpol as its VP (Asia). While Prokopchuk was initially deemed the front-runner, Kim was the eventual winner. The reason for this was that

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A term once applied to the European cuckoo bird. Too lazy to hatch its own eggs, the female cuckoo would lay a single egg in the nest of another, much much smaller bird, when the female was away, among the her eggs already there so that she could do the hatching for her. Since the cuckoo bird's egg hatched faster than those of the foster mother, the cuckoo baby was born first & spent its first few days getting the other eggs or babies in the nest out of it, thereby becoming its sole inhabitant & getting all the food gathered by its foster parents.

Prokopchuk, as Head of the Russian Interpol branch had been responsible for the issuance of many “red notices” for the arrest of Putin critics, incl. Bill Browder, a onetime Putin fan & big time foreign investor in Russia, who had been responsible for the passage of so-called Magnitsky laws in the US & elsewhere (named after his lawyer Sergei Magnitsky who had died in a Moscow prison - which did not stop Moscow from orchestrating, via Prokopchuk , the issuance of a red notice for Browder’s arrest for murdering Magnitsky) - *The end may well have come for Prokopchuk’s candidacy when a group of US senators fired off an open letter declaring that making him Interpol Chairman would be “akin to putting the fox in charge of the henhouse.”*

Sunny Ways Trudeau ways - He won the 2015 election on a platform that, among others, promised three years of \$10BN deficits “carefully managed over the medium term” to help the country recover from the Great Recession after which the budget would be balanced. Now, three years later, the economy is strong (*last year its growth was the fastest of the G7 countries*), the unemployment rate is at a 40-year low, corporate profits are up & wage growth the fastest in eight years, and federal government revenues \$5.5BN a year higher than expected. And yet deficits are nearly twice the \$10BN promised & all talk of balancing the budget has gone the way of the dodo bird. And while the last Harper government in 2015 had forecast \$326.9BN in revenues & a small surplus for the current fiscal year, the now expected outturn for this year is for revenues of \$328.9BN & a \$18.1BN deficit. And what does Canada have to show for all that spending?ZIP! - *If that is Sunny Ways, one should be fearful of “Cloudy Ways”.* Prime Minister Trudeau is making a fool of himself on the international scene & in terms of domestic policy is so far out of his depth he would need a long periscope to see what the real world is all about.

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CREDIT SET FOR WORST YEAR SINCE 2008 AS CRASHES ROIL MARKET **(Bloomberg, Tassos Vossos)**

- Credit markets are set for the worst year in a decade as investors abandon hope of a late 2018 rally. High-yield-, as well as investment grade-, ‘paper’ is headed for losses in both dollars & Euros, the first time all four asset classes have posted negative total returns since 2008. November’s string of blow-ups, incl. the arrest of Renault-Nissan-Mitsubishi’s Carlos Ghosn & the slump in Vallourec notes⁵, have unnerved credit markets that were already seeking to adjust to higher US borrowing costs & the looming end of the ECB’s stimulus measures, with investors increasingly focused on avoiding losses rather than chasing yield.

YTD US investment grade bonds have posted negative total returns of 3.71% (and of 2.90% & 1.20% on similar quality sterling-, & Euro-, bonds).

FED’S CLARIDA SAYS CENTRAL BANK GETTING CLOSER TO NEUTRAL AND SHOULD BE ‘DATA DEPENDENT’ ON MORE HIKES (CNBC, Jeff Cox)

⁵ This is a French manufacturer of rolled stainless steel pipes for the energy-, construction-, automotive-, & mechanical industries. While an extensive search found no reference to its notes “slumping”; between October 10th & November 20th its price declined by two-thirds, from 5.17 to 1.69 Euros.

- Fed Vice-Chair Richard Clarida told CNBC's Steve Liesman in an November 16th interview on its Squawk Box program that the Fed is close to the point of being "neutral" on interest rates & should predicate further increases on economic data, and that after nearly three years of rate increases the Fed' short-term rate is close to being neither restrictive nor stimulative. And he was the second senior Fed official in as many days to suggest this to be the case; for Atlanta Fed President Rafael Bostic had told a Barcelona audience the day before that the Fed Fund rate is "not too far" from neutral). But their opinions are in contrast to what Fed Chair Jerome Powell had said a month ago, namely that the Fed remains a "long way" from neutral & would be more aggressive than expected in its policy making.

Powell too has since signaled rates are close to neutral and it will be interesting to see his line of reasoning when he makes his semi-annual appearance on Capital Hill two weeks hence The Fed has always been data-dependent but it was former Fed Chair Janet Yellen who made data dependency a mantra. Both Bostic & Clarida are newcomers to the Fed & Trump nominees. The former was a Fed economist from 1995-2001& has been President of the Atlanta Fed since July 2017 after having been at USC's Sol Price School of Public Policy as Head of its Department of Government, Management and the Policy Process, while Clarida came from Columbia University⁶ & has been Fed Vice-Chair for just two months. Their comments must have pleased Trump a great deal more than those of his Fed Chair 'pick', Jerome Powell, a month ago. But an article in the November 20th WSJ opined that "the Fed is not likely swayed by recent stock market declines" & still expected to hike rates in December & that, with investors now more focused on next year, the Fed's 'guidance' is still for three rate hikes next year while the market has 'priced in' only one.

SLOWING ECONOMY LOOMS, A 2020 CHALLENGE FOR GDP **(The Hill, Alexander Bolton)**

•On November 19th Goldman Sachs issued a report projecting that US GDP growth will slow to a 1.8% annual rate in the Third-, & to 1.6% in the Fourth-, Quarter of next year, with its Chief Economist, Jan Hatzus, blaming "tighter financial conditions and a fading fiscal stimulus from the 2017 tax reform". And this forecast is in line with that of the CBO (Congressional Budget Office) last August that called for US GDP growth to slow to 2.4% next year & to 1.6% in 2020. This would create a headwind for GOP candidates in the 2020 presidential election year since it would be a dramatic slowdown from the 4.2% annual rate in this year's Second-, & the 3.5% in the Third-, Quarters (the former of which had prompted Trump last August to tweet, mocking Obama for having said during the 2016 campaign that he would need a "magic wand" to get to 4% growth, "I guess I have a magic wand and we will do MUCH better than this, we have just begun", predicting that GDP growth "could be very shortly in the fives." And while the Trump Administration may seek to pass another round of fiscal stimulus in the form of an infrastructure program and/or a middle class tax cut *both of which the Democrats would happily support, if not welcome*, Douglas Holtz-Eakin, a former CBO Director & Bush 43's CEA (White House Council of Economic Advisers) Chief Economist warned that doing so could put more drag on the economy by *further* boosting the budget deficit [*that is already expected to soar to over one trillion dollars in 2019 (up 20% YoY & 50% from 2017)*].

⁶ And had been a 'Global Strategic Adviser' to Newport Beach, CA-based-, & Munich, Germany-based Allainz SE-owned-, PIMCO, that, among others, manages the world's largest bond fund.

According to one analyst, this gloomy projection, & a report that confidence among housebuilders had dropped to its lowest level since August 2016⁷, contributed to a 396 point drop in the Dow Jones on November 19th (& a 551 point drop the next day). And that, if this economic slowdown comes to fruition, the 2017 tax reform law (which is now projected to cost US\$1.9TR) may become more of a hurdle than a blessing for GOP candidates in 2020, especially so since it had been marketed as paying for itself by faster economic growth (according to Mark Zandi, Chief Economist of Moody Analytics “The tax cuts will not even come close to paying for themselves. That ‘s already clearly obvious”.) Another thing that will complicate life for the GOP in 2020 is that it will have the same handicap in that year’s Senate races as the Democrats had this year, namely that it will have twice as many of its Senate seats up for grabs than will have the Democrats.

HARVESTING IN A TRADE WAR : US CROPS ROT AS STORAGE COSTS SOAR **(Reuters, Mark Weintraub)**

- As they finish harvesting, US *grain* farmers face a big problem, where to store the grain they cannot sell to Chinese buyers. For Louisiana’s Richard Fontenot (& his neighbours) the solution was simple, but costly : let it rot; so this fall he plowed 1,000 of his 1,700 acres of soybeans under (in a US\$300,000 loss for him). While its quality had been damaged by bad weather & damp conditions during the harvest season, in other years he would nevertheless have been able to sell it to the local branches of the international grain merchant firms. But this year their storage facilities are chock-a-block with higher quality product & they are not the least bit interested in buying damaged goods.
- In interviews with over two dozen farmers, and academics & farm lenders, we learnt that all across the US grain farmers are plowing crops under or piling grain on the ground, *open to the elements*, in the hope they’ll be able to sell it before it gets too badly water-damaged. Thus in Louisiana 15% of the oil seed crop has been plowed under as being too damaged to sell, in Mississippi & Arkansas crops are going to waste, in Illinois & Indiana farmers are struggling to keep the wildlife out of the *huge plastic* bags that they used as temporary storage facilities for their crops & in the Dakotas piles of grain are everywhere, dusted by snow & out in the open. Meanwhile China keeps defying the CW that said that, without ongoing supplies from the US it would soon run out of soybeans⁸.

⁷ And in some ways that is not surprising for, while the rate of new housing starts may be about double what it was at its nadir nearly a decade ago, is still little more than half it was fifteen years ago (while the population has grown by close to 10% in the interval).

⁸ At a Kansas City agricultural exports conference last September the Vice-Chairman of Yihay Kerry (owned by Singapore-based Wilmar International), one of China’s largest soybean crushers, patiently listened to a US expert explaining why China would remain dependent on US soybeans to feed its massive pig herds. But then, when his turn came to speak, Mu Yan Kui told those present that everything they had just been told was plain wrong & then proceeded to outline Beijing’s six point strategy to slash its soybean imports from the US (thereby killing a 36-year relationship that had netted the US US\$12.7BN in 2017), one of them by tapping alternate sources of supply (while the US, with 108MM tonnes, may be the world’s biggest soybean exporter, Brazil, with 87MM tonnes & Argentina with 53MM tonnes are also quite able to meet China’s 3MM ton monthly needs, especially if it’s going to cut them) & another to cut the soybean content of its pig feed, as US pig farmers did years ago without any ill effects on the health or growth rate of their pigs.

And don't forget that in today's 'factory farming' environment 'fixed' land-, seed-, fuel-, fertilizer-, & pesticide costs are sky-, & profit margins not so-, high, so that it may take only one 'bad' year to wipe the cash reserves built up during several 'good' ones.

TEXAS IS ABOUT TO CREATE OPEC'S WORST NIGHTMARE (Bloomberg, Javier Blas)

- US oil production is soaring, growing at its fastest pace in 98 years. Pipeline bottlenecks in Texas will ease starting in mid-2019 (*with 2.1-3.0 MM bbl/d of new throughput capacity known to come on stream by 2021*). In the past decade US oil companies have drilled some 114,000 new wells in the Permian Basin, many of them capable of producing oil profitably at a US\$30. According to Mike Loya, the top executive in the Americas of the Geneva-based Vitol Group, the world's largest oil trading house, "The Permian Basin will continue to grow and OPEC will have to learn to live with it", while Cory Prologo, the Houston-based Head of Oil Trading for the Geneva-based Trafigura Group Pte Ltd. expects a re-acceleration of well completions in the Permian Basin a year from now. And net US oil imports have declined by more than 80% since 2006.
- OPEC created this monster; for when it flooded the market with product in 2014 (& *the price of oil cratered*), the free enterprise 'animal spirits' of the US shale oil producers went into overdrive cutting costs sharply in line with the price of oil and then, when prices recovered, resumed drilling. Meanwhile the other major producers, first & foremost Saudi Arabia & Russia, need to maximize their oil revenues for budgetary reasons; so last month they too were pumping at record rates.

US oil production now is 11.7MM bbl/d (up 22% YoY), with it expected to hit 14MM bbl/d in 2020 to eventually peak at 17MM bbl/d (at which point the US will be a significant net oil exporter).

CHINA PLANS TO SELL OFF ITS AFRICAN INFRASTRUCTURE DEBT TO INVESTORS (East African, Allan Olingo)

- The Hong Kong Mortgage Corporation (HKMC) was created in March 1997, three months before the British 'handover', is 100%-owned by the Hong Kong Special Administrative Region Government & is rated Aa1 by Moody's. It is developing a plan whereby it would buy a diverse package of *African* infrastructure loans & 'repackage' them into securities for resale to investors. It envisages that at least 90 firms, incl. project developers, commercial & investment banks, multilateral development financial institutions, asset owners & managers, and professional service providers from Hong Kong, mainland China & overseas will join it as partners in this venture. According to Helen Wong, CEO of HKMC Greater China, "This initiative ... will help 'recycle' commercial banks' capital to be redeployed into other greenfield infrastructure projects besides enabling wider capital market participation in infrastructure development under the Road and Belt initiative."
- The latest data from the China-Africa Research Initiative at *Baltimore MD-based* Johns Hopkins University showed that, as of April 2018, East African economies owed China & its institutions US\$29.42 in infrastructure loans, entered into in the last 10 years to build up their transport-, communication-, manufacturing-, & energy sectors, incl. Ethiopia - US\$13.73BN, Kenya - US\$9.80BN, Uganda - US\$2.96BN, Tanzania - US\$2.34BN, Rwanda - US\$289MM, South Sudan - US\$182MM & Burundi - US\$99MM. But this comes at a time that China's main project insurer, Sinosure (the China Export and Credit Insurance Corporation), is casting doubt on the viability of some of *these* infrastructure projects & has itself incurred a loss of US\$1+BN on the Ethiopia-Djibouti railway infrastructure project alone (inaugurated at the start of this year after costing US\$4BN,

70% funded by the Export-Import Bank of China, last September already Ethiopia announced China had agreed to restructure it, *among others by extending the repayment period from 10 to 30 years.*

- And recently Wang Shen, Sinosure's Chief Economist, said *in an interview* that planning behind many of China's infrastructure projects abroad had been "downright inadequate" & that "Chinese developers and financiers of projects in developing nations need to step up their risk management to avoid a disaster. We can see the mistakes of the Addis-Djibouti Railway line which has cost Sinosure a '\$1 billion loss' " (& since then told a Belt-and-Road infrastructure financing forum in Hong Kong that "Ethiopia's planning capabilities are lacking ... even with the help of Sinosure and the lending Chinese bank, it was still insufficient."
- In Kenya the US\$3.2BN first phase of its SGR (*Standard Gauge Rail*) line between Mombasa & Nairobi was financed by a China Exim Bank concessional 20-year 2% loan, with a seven year grace period, the second with a 10-year commercial loan with a 35% grant component, a five year grace period & an interest rate of six months' London LIBOR plus 3.86% (the first repayments are due next year & if the railway isn't breaking even by then the Kenyan tax payers will be stuck with the bill & Sinosure with having insured the loan⁹). And Kenya is now asking Beijing for a 50% grant component in its third phase US\$3.8BN extension from Nairobi to Kisumu (on Lake Victoria).

This is a pipe dream; no sensible investor would buy this paper, especially so at a time that rising bond yields have brought about more of an investor "risk-off" mindset. Throughout history, when the 'smart money' found itself not having been quite so smart in its investments, it has typically gone looking for 'sucker' money to bail it out. And this looks very much like a 'globalized version of the subprime mortgage securitization mess that torpedoed the US economy a decade ago. So it's doubtful that there will be many takers for becoming Beijing's financial 'patsy'. But the most interesting aspect of all this is that it suggests that Beijing, which made these investments to 'buy' influence with local rulers, is now realizing it's 'up to its ass in loss-making financial alligators' at home & abroad that are adversely affecting its domestic economic growth potential & is trying to cut its losses (thereby proving the point that President Xi's China is at serious risk of becoming a 'Potemkin Village'?).

BREXIT, ITALY, TRADE : RISKS PILING UP ON EUROPE'S ECONOMY **(AP, David McHugh)**

- Europe's five-year economic expansion that created 9.5MM more jobs & reduced the unemployment rate to 8.1% from its 2013 high of 12+%, may face a midlife crisis in the face of potential debt troubles in Italy¹⁰, the US-China trade war & a possibly disorderly Brexit. The economy of the 19 Euro countries *seems to have* stumbled in the Third Quarter when its 0.2% quarterly growth rate was down 50% QoQ & the German economy's actually declined 0.2% and when, according to Holger Schmieding, the London-based Chief Economist in London of the 400+ year-old Hamburg-based Berenbank, surveys of business activity "point to a further loss of momentum in late

⁹ Last July Transport Cabinet Secretary James Macharia reported that the railway had incurred a US\$100MM loss in its first year of operating the new line "as a result of low cargo business" which had resulted in a US\$7.5MM monthly loss rate but that "we now project ...averaging US\$4.2MM profit monthly as we ramp up cargo volumes."

¹⁰ Italy's defiance of the EC's insistence that it conform with its budget deficit rules prompted one EC official to comment that "Italy appears intent on sleepwalking into *financial* instability."

2018". And in his eyes Italy is the "most serious risk facing the Eurozone" & an Italian financial crisis could erupt next year; for while its debt servicing costs, after spiking in 2011, had eased off after a reform-minded government took office & the ECB promised to be the buyer of last resort of the debt of countries that faced high debt costs but were willing to correct their finances, the new populist Italian government seems bound & determined to spend far more on social welfare than the EU rules allow *and the ECB recently announced that it would no longer backstop Italy's sovereign debt.* And then there is Brexit & the US-China trade war; if Prime Minister Theresa May cannot push her deal for an orderly Brexit through Parliament Britain could wind up leaving next March without a settled trade relationship with the EU which could result in tariffs & border checks on hundreds of billions of dollars of trade and Europe has been sideswiped by the US-China trade war as global trade slowed, with economist Carsten Brzeski at ING Germany saying that a "fully-fledged trade war could ... push the Eurozone toward the brink of recession."

- But ECB President Mario Draghi doesn't agree. He said in a November 17th speech in Frankfurt that the bank was sticking with its plan to phase out its bond purchase stimulus program at year-end & that "there is certainly no reason why the expansion in the Euro area should abruptly come to an end if only because it is still "relatively short in length", i.e just 22 quarters vs. the average 31 of the five periods of growth since 1975.

Draghi's reasoning seems to be wishful thinking atypical of one of the world's leading central bankers. And of the three above-noted risks, the Italian one is likely far the most threatening, if only because the Italian economy, while it may be the third-largest in the Eurozone, is also its inherently weakest. And the outlook for the EU as a whole is clouded by Angela Merkel's weakened position & the lack of clarity as to who may succeed her, & when, the still waxing populist trend among EU voters and the not EU-friendly activities of the leaders of some 'johnny-come-lately' members, first & foremost Hungary & Poland,

MAN SHOT AFTER STABBING BELGIAN POLICEMAN (Reuters)

- At 5:30 a.m. on November 22nd, outside the Brussels main police station, a man shouting "Allahu Akbar" stabbed a policeman in the neck. He was then shot by two other police officers & at last report was in critical condition in hospital, as was the policeman he had stabbed, albeit not in life-threatening condition. The attacker was known to police & had a criminal record of stealing & violence and had been jailed in 2014 for attempted murder & carrying an illegal weapon, but had been released last month.

While the consensus was this was a terrorist attack, the police had yet to classify it as such.

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DEAD WHALE HAD 5.9 KGS OF PLASTIC IN ITS STOMACH (AP)

- On November 20th a 9.5 metre/32 feet dead sperm whale washed ashore near Indonesia's Watakobi National Park (that is located off Southeastern Sulawesi (*the smallest of Indonesia's four main islands*)). Upon examination its stomach contents were found to include 115 plastic cups, 4 plastic bottles, 25 plastic bags, 2 flip flops, 1 nylon sack & over 1,000 assorted other plastic items.

The irony of this is that Indonesia, along with China, the Philippines, Thailand & Vietnam, dumps more plastic in the oceans than the rest of the world combined (because their citizens look upon their rivers as convenient garbage dumps).

TWELVE DEMERIT POINTS AND THE DOG IS GONE (The Telegraph, Gloria Yan)

- Chinese cities are launching scoring systems for dog owners. One is already operating in Jinan, a 7+MM inhabitant city 320 kilometres/200 miles South of Beijing. It requires anyone owning a dog to register it. Once registered the dog's license starts with 12 points (that are embedded in code on its collar). Points are then deducted for every infraction of the rules of dog ownership; for instance three points for not having the dog on a leash or not being under control of someone at least 18 years of age. Losing all 12 points means losing the dog, although ownership can be restored by passing an exam about responsible pet ownership. Since the program was introduced there last year, 1,430 dog owners have lost points, 112 of them the entire dozen (although most subsequently passed the exam & got their dog back). The hope & expectation is that this will reduce the number of people bitten by dogs, especially stray dogs, which is an issue in China since, according to WHO, it is the country in the world with the second-highest incidence of rabies.

This is not unlike the government's nationwide social-credit system that, first launched in 2014, is being rolled out in phases & scheduled to be fully operational by 2020 (when it will rate citizens on a range of behaviours ranging from shopping habits to online speech so as to create a "problem-free society", with people having, or not having, enough points determining, for instance, if they can, or cannot, buy a car or go abroad on holidays). China is also the country in the world that uses 'facial feature software' most extensively to keep track of its citizens (although with hoodies becoming more commonly used to defeat it, it is now developing 'gait recognition' software to overcome that).